

**Financial Statements of the  
HOUSING AUTHORITY OF THE COUNTY  
OF SALT LAKE  
Salt Lake City, Utah  
For the year ended June 30, 2005 and 2004  
Including  
Independent Auditor's Reports,  
Management's Discussion and Analysis, and  
Supplemental Information**

# Housing Authority of the County of Salt Lake

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# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## Independent Auditor's Report

To the Board of Commissioners  
Housing Authority of the County of Salt Lake  
Salt Lake City, Utah

We have audited the accompanying statements of fund net assets of the Housing Authority of the County of Salt Lake (the Authority), as of and for the year ended June 30, 2005 and 2004, and the related statement of revenue, expenses and changes in fund net assets and statement of cash flows for the years then ended, which collectively comprise the Authority's basic financial statements. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2005 and 2004, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2005, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 2 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Authority's basic financial statements. The supplemental information included on Schedules 1 through 4 listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Authority. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the Authority. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
October 11, 2005

# **HOUSING AUTHORITY OF THE COUNTY OF SALT LAKE MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Housing Authority of the County of Salt Lake's ("the Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify individual program issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 13).

## **FINANCIAL HIGHLIGHTS**

- The Authority's net assets decreased by \$0.6 million (or 4%) during 2005. Since the Authority engages only in business-type activities, the decrease is all in the category of business-type net assets. Net Assets were \$15.4 million and \$14.8 million for 2004 and 2005 respectively. However, its unrestricted net assets increased by \$0.4 during the same period from \$3.2 million to \$3.6 million.
- Revenue decreased by \$.8 million from \$21.0 million in 2004 to \$20.2 million in 2005, a decrease of 4%.
- The total expenses of all Authority programs decreased by \$.7 million (or 3%). Total expenses were \$21.5 million and \$20.8 million for 2004 and 2005 respectively.

## **USING THIS ANNUAL REPORT**

The Report includes three major sections, the “Management’s Discussion and Analysis (MD&A)”, Basic Financial Statements”, and “Other Required Supplementary Information”:

### **MD&A**

~ Management Discussion  
and Analysis - pgs. 2-12

### **Basic Financial Statements**

~ Authority-wide Financial Statements – pgs. 13-15  
~ Notes to Financial Statements – pgs. 16-22

### **Other Required Supplementary Information**

~ Required Supplementary Information pgs. 23-38  
(other than MD&A)

The primary focus of the Authority’s financial statement is on both the Authority as a whole (Authority-wide) and the major individual programs. Both perspectives (authority-wide and major program) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhance the Authority’s accountability.

## **Authority-Wide Financial Statements**

The Authority-wide financial statements (see pgs. 13-15) are designed to be corporate-like in that all business type activities are consolidated into columns which add to a total for the entire Authority.

These Statements include a Statement of Net Assets, which is similar to a Balance Sheet. The Statement of Net Assets reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equal "Net Assets", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Assets (formerly equity) are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: Consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt", or "Restricted Net Assets".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Program Net Assets (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses and Changes in Program Net Assets is the "Change in Net Assets", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

## **Program Financial Statements**

The Authority consists of exclusively Enterprise Funds. Enterprise funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting.

In prior years, the Authority has designated financially reported units as funds; however, to more accurately report the financials and not misrepresent reported units as funds under governmental accounting, the Authority is now designating reported units as programs.

The Department of Housing and Urban Development requires many of the programs maintained by the Authority. Others are segregated to enhance accountability and control.

## **The Authority's Programs**

### **Business Type Programs**

**Public Housing** – Under the Public Housing Program, the Authority rents units that it owns to low-income households. The Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30% of household income. The Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's properties.

**Housing Choice Voucher Program** – Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

**Community Development Block Grant Program** - Community Development for Midvale, Sandy, and Salt Lake County public housing communities that is intended to increase residents' access to services.

**Business Activities** – represents non-HUD resources developed from a variety of activities.

**Internal Service Program** – used as a cash flow program primarily to facilitate cash balances, investments, and accounts receivable, accounts payable, and payroll processes.

Other Non-major Programs – In addition to the major programs above, the Authority also maintains the following non-major programs. Non-major programs are defined as programs that have assets, liabilities, revenues, or expenses of 5% or less of the Authority's total assets, liabilities, revenues or expenses:

Resident Opportunities and Self-Sufficiency Program (ROSS) – a program for public housing residents with supportive services, resident empowerment activities, and assistance in becoming economically self-sufficient.

Shelter Plus Care Program – a grant program funded by the Department of Housing and Urban Development that provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.

Tenant-Based Rental Assistance Program – a grant funded by Salt Lake County to provide transitional housing to very low income families and individuals of Salt Lake County. This program is a joint partnership with The Road Home.

Housing Opportunities for Persons with AIDS (HOPWA) – a grant program funded by the Department of Housing and Urban Development that provides rental assistance for low income persons medically diagnosed with HIV/AIDS and their families.

Youth Prevention Program - A program for public housing youth that is intended to prevent substance abuse and other anti-social behaviors. It includes After-School, Teen, and Mentoring components.



## AUTHORITY-WIDE STATEMENT

### Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to prior year. The Authority is engaged only in Business-Type Activities.

**TABLE 1**  
**STATEMENT OF NET ASSETS**

	2005 (in millions of dollars)	2004 (in millions of dollars)
Current Assets	\$ 4.5	\$ 3.8
Restricted Assets	.7	.7
Capital Assets	10.9	11.9
Other Non-current Assets	1.6	1.8
Total Assets	<u>17.7</u>	<u>18.2</u>
Current Liabilities	.7	.6
Long-Term Liabilities	2.2	2.2
Total Liabilities	<u>2.9</u>	<u>2.8</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	10.5	11.5
Restricted	.7	.7
Unrestricted	3.6	3.2
Total Net Assets	<u>\$14.8</u>	<u>\$15.4</u>

For more detailed information see page 13 for the Statement of Net Assets.

### Major Factors Affecting the Statement of Net Assets

Working Capital (current assets less current liabilities) increased from \$3.2 million to \$3.8 million in 2005.

Other non-current assets have been reduced by \$200,000 mainly due to a reduction in bank pool loans through refinancing or foreclosures during the year.

Capital assets also changed significantly, decreasing from \$11.9 million to \$10.9 million. The \$1.0 million decrease is attributed primarily to a combination of acquisitions (\$.5

million) and current year depreciation (\$1.5 million). For more detail see "Capital Assets and Debt Administration" below.

Table 2 presents details on the change in Unrestricted Net Assets

**TABLE 2**  
**CHANGE OF UNRESTRICTED NET ASSETS**

	Millions of Dollars
Unrestricted Net Assets 6/30/04	\$ 3.2
Results of Operations	(0.6)
Adjustments:	
Depreciation (1)	1.5
Adjusted Results from Operations	<u>0.9</u>
Capital Expenditures (2)	<u>(0.5)</u>
Unrestricted Net Assets 6/30/05	<u><u>\$ 3.6</u></u>

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Assets

(2) Capital Expenditures represent an outflow of unrestricted net assets, but are not treated as an expense against Results of Operations, and therefore must be deducted.

While the Results of Operations is a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Assets provides a clearer change in financial well being.

**TABLE 3****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

The following schedule compares the revenues and expenses for the current and previous fiscal year. The Authority is engaged only in Business-Type Activities.

	2005 (millions of dollars)	2004 (millions of dollars)
<b>Revenues</b>		
Tenant Revenue – Rents and Other	\$ 1.3	\$ 1.4
Operating Subsidies and Grants	18.1	18.1
Capital Grants	0.5	0.7
Investment Income	0.1	0.1
Other Revenues	0.2	0.7
<b>Total Revenue</b>	<u>20.2</u>	<u>21.0</u>
<b>Expenses</b>		
Administrative	2.1	2.1
Tenant Services	0.4	0.5
Utilities	0.4	0.3
Maintenance	1.4	1.3
Protective Services	0.0	0.0
General	0.3	0.4
Housing Assistance Payments	14.7	15.2
Depreciation	1.5	1.7
<b>Total Expenses</b>	<u>20.8</u>	<u>21.5</u>
<b>Net Increase/(Loss)</b>	<u>\$ (0.6)</u>	<u>\$(0.5)</u>

**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS**

Tenant revenue continued to decrease from 2004 to 2005 due to rising utility costs and a higher vacancy rate that was seen throughout the rental market. Operating Subsidies and Grants remained even with increased subsidies of \$400,000 for Public Housing and decreased subsidies of \$400,000 for the Section 8 program. A reduction in Capital Grants of \$200,000 is due to less capital spending by the Agency during 2005 than during 2004. A decrease of \$.5 million in other revenues is due to a gain on the sale of Villa Charmant, an apartment complex previously in the Housing Authority's fixed asset pool in 2004.

Most expenses remained stable except for a few exceptions. The Housing Authority cut tenant services and general expenses to compensate for the decreased HUD funding in

certain programs. Housing Assistance Payments decreased by \$500,000 due to decreased Section 8 funding and thus a combination of a decrease in Housing Assistance Payments per family and number of families served. The Housing Authority assisted an average of 52 less Section 8 families per month. Depreciation expenses were \$200,000 less than in the prior year as more fixed assets in use are becoming fully depreciated. There were also increases in utility and maintenance costs from 2004 to 2005.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of year end, the Authority had \$10.9 million invested in a variety of capital assets as reflected in the following schedule, which represents a net decrease (additions, deductions and depreciation) of \$1 million or an 8% decrease from the end of last year.

**TABLE 4**  
**CAPITAL ASSETS AT YEAR-END**  
**(NET OF DEPRECIATION)**

	Business-type Activities	
	2005	2004
Land and land rights	\$ 3.2	\$ 3.2
Site Improvements	4.1	4.1
Buildings	26.6	25.9
Equipment – Administrative	1.0	1.1
Equipment - Dwelling	0.0	0.0
Accumulated Depreciation	(24.1)	(22.9)
Construction In Progress	0.1	0.5
Total	<u>\$10.9</u>	<u>\$11.9</u>

The following reconciliation summarizes the change in Capital Assets, which is presented in detail on page 22 of the notes.

**TABLE 5**  
**CHANGE IN CAPITAL ASSETS**

	Business Type Activities
Beginning Balance	\$ 11.9
Additions, Net of Retirements	0.5
Depreciation	<u>(1.5)</u>
Ending Balance	<u><u>\$10.9</u></u>

This year's major additions were primarily capital expenditures related to modernizing the Authority's housing developments. There were also a small amount of equipment purchases.

## Debt Outstanding

As of year-end, the Authority had \$2.2 million in debt (bonds, notes, etc.) outstanding compared to \$2.3 million last year, a \$100,000 decrease:

**TABLE 6**  
**OUTSTANDING DEBT, AT YEAR-END**  
**(IN MILLIONS)**

	Totals	
	2005	2004
<u>Program Type</u>		
Enterprise - Long Term	\$2.2	\$2.2
Enterprise - Current	0.0	0.1
Total	<u>\$ 2.2</u>	<u>\$ 2.3</u>

## ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs

## FINANCIAL CONTACT

The individual to be contacted regarding this report is Andre Bartlome, Director of Finance of the Housing Authority of the County of Salt Lake, at (801) 284-4440. Specific requests may be submitted to Andre Bartlome, Director of Finance, Housing Authority of the County of Salt Lake, 3595 South Main Street, Salt Lake City, UT 84115.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Combined Statement of Net Assets  
June 30, 2005 and 2004**

<b>ASSETS</b>	<u>2005</u>	<u>2004</u>
<b>Current Assets:</b>		
Cash	\$ 832,269	\$ 503,471
Investments	2,816,654	1,862,843
Accounts Receivable-HUD	236,166	713,519
Accounts Receivable - Other, net of allowance of \$5,360	451,655	519,793
Current portion of notes receivable	53,629	81,247
Inventory - net of allowance of \$3,292	79,005	85,457
Prepaid expenses	654	-
<b>Total Current Assets</b>	<u>4,470,032</u>	<u>3,766,330</u>
<b>Restricted Assets:</b>		
Cash	-	3
Investments	703,563	673,496
<b>Total Restricted Assets</b>	<u>703,563</u>	<u>673,499</u>
<b>Noncurrent Assets:</b>		
Capital Assets		
Land	3,197,509	3,201,103
Buildings and Improvements	30,899,176	30,562,564
Furniture and equipment	980,352	1,043,253
<b>Total Capital Assets</b>	<u>35,077,037</u>	<u>34,806,920</u>
Less: Accumulated Depreciation	(24,129,808)	(22,861,978)
<b>Net Capital Assets</b>	<u>10,947,229</u>	<u>11,944,942</u>
Other Assets		
Notes and mortgages receivable	1,566,630	1,825,900
Other Assets	20,000	-
<b>Total Non-Current Assets</b>	<u>12,533,859</u>	<u>13,770,842</u>
<b>TOTAL ASSETS</b>	<u>17,707,454</u>	<u>18,210,671</u>
 <b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	291,144	158,767
Tenant Security Deposits	121,410	119,698
Accrued Liabilities	161,367	157,443
Other Current Liabilities	2,697	7,474
Deferred Revenue	66,078	60,799
Current Portion of Long-Term Debt	42,245	70,497
<b>Total Current Liabilities</b>	<u>684,941</u>	<u>574,678</u>
<b>Noncurrent Liabilities:</b>		
Notes and Mortgages Payable, less current portion	1,729,298	1,838,117
Other Long-Term Obligations	463,397	349,248
<b>Total Noncurrent Liabilities</b>	<u>2,192,695</u>	<u>2,187,365</u>
<b>TOTAL LIABILITIES</b>	<u>2,877,636</u>	<u>2,762,043</u>
 <b>NET ASSETS</b>		
Invested in capital assets, net of related debt	10,528,049	11,554,374
Restricted net assets	703,563	673,499
Unrestricted net assets	3,598,206	3,217,141
<b>TOTAL NET ASSETS</b>	<u>\$ 14,829,818</u>	<u>\$ 15,445,014</u>

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE**  
**Combined Statement of Revenues, Expenditures,  
and Changes in Net Assets**  
**For The Years Ended June 30, 2005 and 2004**

	2005	2004
<b>OPERATING REVENUES</b>		
Federal Subsidies	\$ 18,548,890	\$ 18,799,531
Rents	1,256,870	1,400,341
Other	123,245	190,972
Total Operating Revenues	<u>19,929,005</u>	<u>20,390,844</u>
<b>OPERATING EXPENSES</b>		
Administrative	2,090,403	2,071,581
Tenant Services	413,402	445,330
Utilities	343,431	320,412
Ordinary Maintenance and Operations	1,375,897	1,347,713
General	262,852	185,315
Extraordinary Maintenance	-	9,685
Housing Assistance Payments	14,728,426	15,200,366
Depreciation	1,475,698	1,685,511
Total Operating Expenses	<u>20,690,109</u>	<u>21,265,913</u>
Loss From Operations	<u>(761,104)</u>	<u>(875,069)</u>
Nonoperating Income (Expenses)		
Interest Income	126,539	97,910
Gain From Disposal of Assets	89,650	511,611
Interest Expense	(73,895)	(196,519)
Total Nonoperating Income (Expenses)	<u>142,294</u>	<u>413,002</u>
Net Loss	(618,810)	(462,067)
Net assets at beginning of year	15,448,628	15,907,081
Prior Period Adjustment	-	3,614
Net assets at end of year	<u>\$ 14,829,818</u>	<u>\$ 15,448,628</u>



**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Combined Statement of Cash Flows  
For The Year Ended June 30, 2005 and 2004**

	2005	2004
<b>Cash Flows From Operating Activities</b>		
Federal subsidies receipts	\$ 19,026,243	\$ 18,420,208
Rents received	1,325,008	1,201,107
Other receipts	123,245	190,972
Cash paid for administrative services	(2,090,403)	(2,071,581)
Cash paid for tenant services	(413,402)	(445,330)
Cash paid for utilities	(343,431)	(320,412)
Cash paid for ordinary maintenance and operations	(1,375,897)	(1,347,713)
Cash paid for general and other expenses	(24,390)	(431,938)
Cash paid for housing assistance	(14,728,426)	(15,200,366)
Net Cash Provided (Used) By Operating Activities	<u>1,498,547</u>	<u>(5,053)</u>
<b>Cash Flows From Noncapital Financing Activities</b>		
<b>Cash Flows From Capital Financing Activities</b>		
Acquisition of Capital Assets	(481,579)	(692,923)
Proceeds From Disposal of Capital Assets	93,244	2,281,076
Retirement of Long-Term Debt	(137,071)	(2,334,641)
Interest on Long-Term Debt	(73,895)	(196,519)
Net Cash Used In Capital Financing Activities	<u>(599,301)</u>	<u>(943,007)</u>
<b>Cash Flows From Investing Activities</b>		
Net Investments purchased	(983,878)	(36,339)
Notes Receivable Principal Payments Received	286,888	114,909
Interest on Investments	126,539	97,910
Net Cash Provided (Used) By Capital Financing Activities	<u>(570,451)</u>	<u>176,480</u>
Net Increase (Decrease) in Cash and Cash Equivalents	328,795	(771,580)
Cash and Cash Equivalents at June 30, 2004	503,474	1,275,054
Cash and Cash Equivalents at June 30, 2005	<u>\$ 832,269</u>	<u>\$ 503,474</u>
<b>Reconciliation of operating income to net cash used by operating activities:</b>		
Loss From Operations	\$ (761,104)	\$ (875,069)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation	1,475,698	1,685,511
(Increase) Decrease in:		
Accounts Receivable - HUD	477,353	(338,203)
Accounts Receivable - Other	68,138	(196,964)
Inventory	6,452	(2,689)
Prepaid expenses	(654)	-
Other Assets	(20,000)	95,343
Increase (Decrease) in:		
Accounts Payable	132,377	(87,858)
Tenant Security Deposits	1,712	(2,270)
Accrued Liabilities	3,924	(66,775)
Other Current Liabilities	(4,777)	(97,493)
Deferred Revenue	5,279	(41,120)
Deposits and Other Liabilities	114,149	(77,466)
Net Cash Used By Operating Activities	<u>\$ 1,498,547</u>	<u>\$ (5,053)</u>

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Notes to Financial Statements  
June 30, 2005 and 2004**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION AND HISTORY**

The Housing Authority of the County of Salt Lake (the Authority) was established in 1970 for the purpose of providing affordable housing to individuals living in Salt Lake County.

The Authority supports a total of 2,925 housing units under seven different housing programs. The Authority owns 626 units in its public housing program, of which 619 units are available for lease to low income and elderly individuals in accordance with U.S. Department of Housing and Urban Development (HUD) guidelines. Operating subsidies are received by the Authority directly from HUD. The Authority subsidizes rental expenses for 2,306 units which clients lease from private apartment owners. In addition, the Authority operates housing programs that are not subject to HUD guidelines and for which no subsidies are received from HUD, consisting of 31 units, of which all 31 are available for lease.

**FINANCIAL REPORTING MODEL**

The Authority has implemented the new financial reporting model, as required by the provisions of GASB Statement No. 34, *Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. The significant changes to these statements are as follows:

1. Presentation of management's discussion and analysis.
2. The term retained earnings is replaced by net assets.
3. The statement of cash flows is presented on the direct method.

**FINANCIAL REPORTING ENTITY**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 14, "The Financial Reporting Entity", which describes those entities which are considered component units for financial reporting purposes. Management of the Authority and Salt Lake County have determined that the Authority is not a component unit of the County, or any other government entity under the criteria of GASB Statement No. 14.

Additionally, management is not aware of other government entities that should be included with the Authority's basic financial statements as component units in accordance with GASB Statement No. 14.

**INTER-FUND TRANSACTIONS**

Inter-fund payables and receivables as of June 30, 2005 and 2004 totaling \$5,467,805 and \$4,343,734 respectively have been eliminated from the combined balance sheet.

**BASIS OF PRESENTATION – FUND ACCOUNTING**

In order to insure observance of limitations and restrictions placed on the use of resources available to the Authority, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which appropriations, grants or contracts for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Notes to Financial Statements  
June 30, 2005 and 2004**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**BASIS OF PRESENTATION – FUND ACCOUNTING - CONTINUED**

In accordance with HUD prescribed accounting practices, the Authority has adopted the Statement of Government Accounting Standards (SGAS) No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. The Authority has elected to apply all applicable FASB pronouncements and Accounting Principle Board (APB) opinions issued on or after November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**BASIS OF ACCOUNTING**

The Authority prepares its basic financial statements using the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America. The accrual basis of accounting recognizes revenues at the time they are earned. Expenditures are recorded when incurred.

**CASH AND CASH EQUIVALENTS**

The Authority considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash and cash equivalents at June 30, 2005 and 2004 consist of cash on hand, demand deposits and savings deposits. Certificates of deposits and U.S. Treasury Bills are reported on the balance sheet as investments.

**FIXED ASSETS**

Fixed assets are carried at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of 3 - 40 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and improvements are capitalized.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**INVENTORY**

Inventory consists of expendable supplies held for maintenance and repairs. Supplies inventory is stated at cost on a first-in, first-out basis, and is recorded as an expense at the time the individual inventory items are used. Inventory is reported net of allowance for obsolete inventory which was \$5,360 and \$-0- at June 30, 2005 and 2004 respectively.

**NOTES RECEIVABLE**

Notes receivable consist of mortgages held, secured by real estate.

**DEFERRED REVENUE**

Deferred revenue consists of federal subsidies for the month of July 2005 and 2004 that were received by the Authority on or before June 30, 2005 and 2004.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE**  
Notes to Financial Statements  
June 30, 2005 and 2004

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**ACCRUED COMPENSATED ABSENCES**

The balance of accrued liabilities at June 30, 2005 and 2004, of \$161,367 and \$157,443 includes current accrued compensated absences totaling \$116,526 and \$115,402 respectively. Other long-term obligations at June 30, 2005 and 2004, of \$463,397 and \$349,248, include non-current accrued compensated absences totaling \$74,501 and \$28,850 respectively.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits – Utah State law requires that the Authority's deposits be made with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any financial institution, which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act.

Investments – The Authority's investment policies are governed by State Statutes and HUD regulations.

At June 30, 2005, the carrying amount of the Authority's deposits, recorded as restricted and unrestricted cash, was \$832,269 and the bank balance was \$931,388. Of the bank balance, \$100,000 was covered by federal depository insurance, and \$571,478 was covered by collateral with a value of \$571,478. The collateral consists of U.S. Treasury notes held by a financial institution in the Authority's name. The uninsured and uncollateralized bank balance was \$259,910.

The Authority's deposits and investments are categorized to give an indication of the level of risk assumed. The categories are described as follows:

Category 1 - Insured or registered, or securities held by the Authority or its agent in the Authority's name;  
Category 2 - Uninsured and unregistered for which the deposits or securities are held by the counterparty, or its trust department or agent in the Authority's name; Category 3 - Uninsured and unregistered for which the deposits or securities are held by the counterparty, or by its trust department or agent, but not in the Authority's name.

The Authority also invested in the Utah Public Treasurers Investment Fund (PTIF) which is not subject to credit risk classification.

Deposits and Investments, categorized by level of risk, are as follows:

	Bank Balance	Categories			Unclassified	Carrying Amount
		1	2	3		
Deposits with financial Institutions	\$ 931,238	\$ 671,478	\$ 259,910	\$ -	\$ -	\$ 832,119
Utah PTIF	3,520,117	-	-	-	3,520,117	3,520,117
Investment in LLC	100	-	-	-	100	100
Petty cash	150	-	-	-	150	150
Totals	<u>\$ 4,451,605</u>	<u>\$ 671,478</u>	<u>\$ 259,910</u>	<u>\$ -</u>	<u>\$3,520,267</u>	<u>\$4,352,486</u>

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Notes to Financial Statements  
June 30, 2005 and 2004**

**NOTE 3 – RESTRICTED ASSETS**

Restricted assets totaling \$703,563 consist of cash held for the "Family Self Sufficiency Program" of \$330,593, and capital reserves of \$372,970.

**NOTE 4 – LONG-TERM DEBT**

Long-term debt consists of a mortgage payable, deferred loans payable, a revolving loan, a pooled loan, and mortgage revenue bonds. A summary of long-term debt and future maturities is as follows:

Mortgages Payable

Payable To	Annual Rate	Maturity	Monthly Payment	Balance 6-30-2004	Security
State of Utah	4.00%	June 2029	\$ 1,146	\$ 211,930	Real Estate

Deferred Loans and Revolving Loan

Deferred loans are payable to various non-profit, and local government institutions, are non-interest bearing, and non-maturing, as long as the funds are used to provide housing or improve housing conditions for targeted lower income groups. Deferred loans totaled \$207,250 at June 30, 2005 and 2004 respectively.

Funds have been loaned to the Authority by various local government institutions for the purpose of establishing a revolving loan program for housing rehabilitation and improvements. The Authority uses the funds in the revolving loan program to make loans to qualified low-income individuals. Repayments by individuals are placed back in the revolving loan fund to be loaned again to other qualified individuals.

The revolving loan balance is secured by real estate, is non-interest bearing, and is non-maturing as long as the Authority continues to provide loans through the program. The revolving loan balance totaled \$300,309 and \$318,736 respectively at June 30, 2005 and 2004.

Pooled Loan

The pooled loan consists of loans from five different banking institutions. The loan proceeds have been pooled together by the Authority and loaned to qualifying individuals for home acquisition, improvements, and rehabilitation purposes. The loans are secured by real estate.

The pooled loan balance totaled \$1,052,054 and \$1,165,538 respectively at June 30, 2005 and 2004, of which \$23,000 for 2005 and 2004 represents a deferred loan and the balance represents an installment loan.

The installment loan to the banks is payable in monthly installments averaging \$11,178 at an average annual rate of 6.24%, and maturing approximately October 2019. The deferred loan to the banks is non-maturing and non-interest bearing as long as the funds are used in the pooled loan program.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Notes to Financial Statements  
June 30, 2005 and 2004**

**NOTE 4 – LONG-TERM DEBT (continued)**

Future Maturities of Long-Term Debt

The future annual principal and interest payments due on long-term debt are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 42,245	\$ 34,669
2007	31,495	39,073
2008	33,214	37,354
2009	35,030	35,537
2010	36,949	33,618
Thereafter	<u>1,592,610</u>	<u>225,226</u>
Totals	\$ <u>1,771,543</u>	\$ <u>405,507</u>

Other Long-Term Obligations

Other long-term obligations at June 30, 2005 and 2004 consist of escrow balances payable totaling \$388,896 and \$394,751 respectively and non-current accrued compensated absences totaling \$74,501 and \$31,963 respectively.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE**  
Notes to financial Statements  
June 30, 2005 and 2004

**NOTE 5 – RETIREMENT PLAN**

The Authority contributes to the Local Governmental Noncontributory Retirement System, a cost-sharing multiple-employer defined benefit pension plan administered by the Utah Retirement Systems. Utah Retirement Systems provide retirement and survivor benefits to plan members and beneficiaries in accordance with retirement statutes.

The Utah Retirement Systems (the Systems) are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor of Utah. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for retirement plans administered by the Utah Retirement Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

The authority is legally obligated to contribute to the retirement systems as long as it has employees that meet membership requirements. The contribution rates are the actuarial determined rates. The contribution rates in effect for the year ending June 30, 2005, and the two previous fiscal years, calculated on the applicable salary for the eligible employees are as follows:

<u>Year Ended June 30,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
2005	N/A	N/A	11.090%
2004	N/A	N/A	9.620%
2003	N/A	N/A	8.690%

The contributions made by the Authority for the year ended June 30, 2005 and 2004 were paid by the due dates or within 30 days thereafter and were equal to the required contributions.

The required contributions and amounts received for the year ended June 30, 2005 and the two previous fiscal years are as follows:

<u>Year Ended June 30,</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
2005	\$ -	\$ -	\$ 214,472	\$ 1,933,925
2004	\$ -	\$ -	\$ 189,298	\$ 1,967,752
2003	\$ -	\$ -	\$ 148,312	\$ 1,706,693

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Notes to Financial Statements  
June 30, 2005 and 2004**

**NOTE 6 – ECONOMIC DEPENDENCY**

A substantial portion of the Authority's revenue comes from U.S. Department of Housing and Urban Development. Programs operated by the Housing Authority depend upon continued funding by the U.S. Government.

**NOTE 7 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the Authority to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damages, and other losses. A minimal deductible applies to these policies, which the Authority pays in the event of any loss. The Authority has also purchased a workers' compensation policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the year ended June 30, 2005 and 2004.

**NOTE 8 – SCHEDULE OF CHANGES IN CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Land	\$ 3,201,103	\$ -	\$ 3,594	\$ 3,197,509
Buildings and Improvements	30,562,564	480,070	143,458	30,899,176
Furniture and Equipment	<u>1,043,253</u>	<u>1,509</u>	<u>64,410</u>	<u>980,352</u>
Total	\$ <u>34,806,920</u>	\$ <u>481,579</u>	\$ <u>211,462</u>	35,077,037
Accumulated Depreciation	\$ <u>22,861,978</u>	\$ <u>1,475,698</u>	\$ <u>509,923</u>	<u>24,129,808</u>
Net book value				\$ <u>10,947,229</u>



**Supplemental Information**

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Combining Statement of Net Assets  
June 30, 2005**

		201	202, 206 &	227, 228	270, 271, 272	329	350	351	513, 514
FDS									
Line		Public	208	Shelter	273 & 274	Section 8	Tenant		Youth
Item		Housing	ROSS	Plus	Capital	Rental	Based Rent		Prevention
#	Account Description	14,850	Grant	Care	Fund	Vouchers	Assistance	HOPWA	Program
		14,850	14,870	14,238	14,872	14,871	14,239	14,241	93,959
ASSETS									
Current Assets									
Cash:									
111	Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Cash - Other Restricted	-	-	-	-	-	-	-	-
100	Total Cash	-	-	-	-	-	-	-	-
Receivables:									
121	Accounts Receivable - PHA Projects	-	-	-	-	17,225	-	-	-
122	Accounts Receivable - HUD	-	21,617	54,538	117,847	42,164	-	-	-
124	Accounts Receivable - Other Government	9,837	-	-	-	-	54,038	6,015	11,205
125	Accounts Receivable - Miscellaneous	2,103	-	-	-	6,211	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	10,146	-	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(4,584)	-	-	-	-	-	-	-
127	Notes and Mortgages Receivable - Current	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	9,856	-	-	-
120	Total Receivables, net of allowances for doubtful accounts	17,502	21,617	54,538	117,847	75,456	54,038	6,015	11,205
Current Investments:									
131	Investments - Unrestricted	-	-	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	303	-	-	-	344	-	-	-
143	Inventories	82,297	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	(3,292)	-	-	-	-	-	-	-
144	Interprogram Due From	1,240,626	-	-	-	1,837,793	-	-	-
150	Total Current Assets	1,337,436	21,617	54,538	117,847	1,913,593	54,038	6,015	11,205
Noncurrent Assets									
Fixed Assets:									
161	Land	2,810,154	-	-	-	-	-	-	-
162	Buildings	23,922,233	-	-	1,284,861	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	624,174	-	-	222,606	115,853	-	-	-
165	Leasehold Improvements	3,946,060	-	-	175,700	-	-	-	-
166	Accumulated Depreciation	(22,926,423)	-	-	(214,195)	(102,954)	-	-	-
167	Construction in Progress	-	-	-	109,968	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	8,376,198	-	-	1,578,940	12,899	-	-	-
Other Non-Current Assets:									
171	Notes and Mortgages Receivable - Non-Current	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	8,376,198	-	-	1,578,940	12,899	-	-	-
190	TOTAL ASSETS	\$ 9,713,634	\$ 21,617	\$ 54,538	\$ 1,696,787	\$ 1,926,492	\$ 54,038	\$ 6,015	\$ 11,205
LIABILITIES AND NET ASSETS									
LIABILITIES									
Current Liabilities									
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts Payable < = 90 Days	56783	824	800	75600	8338	-	-	8030
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-
322	Accrued Compensated Absences	79,101	-	2,966	-	29,901	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	19,020	-	-
341	Tenant Security Deposits	116,810	-	-	-	-	-	-	-
342	Deferred Revenues	19,894	-	-	332	-	-	-	-
343	Current Portion of LT Debt - Capital Projects	-	-	-	-	-	-	-	806
345	Other Current Liabilities	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-	-
347	Interprogram Due To	-	20,793	14,228	41,915	-	37,797	5,087	2,369
310	Total Current Liabilities	272,588	21,617	17,994	117,847	38,239	56,817	5,087	11,205
Non-Current Liabilities									
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage	-	-	-	-	-	-	-	-
353	Non-Current Liabilities - Other	102,519	-	-	-	277,456	-	-	-
354	Accrued Compensated Absences - Non Current	50,573	-	1,897	-	19,117	-	-	-
350	Total Non-Current Liabilities	153,092	-	1,897	-	296,573	-	-	-
300	TOTAL LIABILITIES	425,680	21,617	19,891	117,847	334,812	56,817	5,087	11,205
NET ASSETS:									
508.1	Invested in Capital Assets, Net of Related Debt	8,376,198	-	-	1,578,940	12,899	-	-	-
511.1	Restricted Net Assets	-	-	-	-	-	-	-	-
512.1	Unrestricted Net Assets	911,756	-	34,647	-	1,578,781	(2,779)	928	-
513	TOTAL NET ASSETS	9,287,954	-	34,647	1,578,940	1,591,680	(2,779)	928	-
600	TOTAL LIABILITIES AND NET ASSETS	\$ 9,713,634	\$ 21,617	\$ 54,538	\$ 1,696,787	\$ 1,926,492	\$ 54,038	\$ 6,015	\$ 11,205

## Schedule 1

554,881, 885					100				
CDBG					887				
Program					State				
14.218					Funds				
					Business				
					Central				
					Cash				
					Combined				
					Balance				
\$	277,430	\$	1,424	\$	78,208	\$	475,207	\$	832,269
-	-	-	-	-	-	-	-	-	-
277,430	1,424	78,208	475,207	832,269					
-	-	-	-	17,225					
-	-	-	-	236,166					
1,877	-	1,792	-	84,764					
-	-	168,562	156,277	333,153					
-	-	1,871	-	12,017					
-	-	(776)	-	(5,360)					
4,349	-	49,280	-	53,629					
-	-	-	-	9,856					
6,226	-	220,729	156,277	741,450					
-	-	-	2,816,654	2,816,654					
-	-	330,593	372,970	703,563					
-	-	7	-	654					
-	-	-	-	82,297					
-	-	-	-	(3,292)					
166,339	419,741	961,805	841,501	5,467,805					
449,995	421,165	1,591,342	4,662,609	10,641,400					
-	-	387,355	-	3,197,509					
-	-	1,420,263	-	26,627,357					
11,387	-	6,332	-	980,352					
-	-	40,091	-	4,161,851					
(11,387)	-	(874,849)	-	(24,129,808)					
-	-	-	-	109,968					
-	-	979,192	-	10,947,229					
389,446	112,876	1,064,308	-	1,566,630					
-	-	20,000	-	20,000					
389,446	112,876	2,043,500	-	12,533,859					
\$	839,441	\$	534,041	\$	3,634,842	\$	4,662,609	\$	23,175,259
\$	-	\$	-	\$	2	\$	-	\$	2
75	-	23015	11461	184,926					
-	-	-	17,807	17,807					
-	-	4,558	-	116,526					
56,141	-	31,057	-	106,218					
-	-	4,600	-	121,410					
-	-	45,852	-	66,078					
4,349	-	37,090	-	42,245					
100	-	2,595	-	2,695					
-	-	-	27,034	27,034					
651,194	-	88,115	4,606,307	5,467,805					
711,859	-	236,882	4,662,609	6,152,746					
295,960	-	1,433,338	-	1,729,298					
-	-	8,921	-	388,896					
-	-	2,914	-	74,501					
295,960	-	1,445,173	-	2,192,695					
1,007,819	-	1,682,055	4,662,609	8,345,441					
-	-	560,012	-	10,528,049					
-	-	330,593	372,970	703,563					
(168,378)	534,041	1,082,180	(372,970)	3,598,206					
(168,378)	534,041	1,972,785	-	14,829,818					
\$	839,441	\$	534,041	\$	3,654,840	\$	4,662,609	\$	23,175,259

\* Not included on the combined statement of net assets.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE**  
**Combining Statement of Revenues, Expenditures, and  
Changes in Net Assets**  
**For the Year Ended June 30, 2005**

FDS Line Item #	201 Public Housing 14.850	202, 204 & 206 ROSS Grant 14.870	227, 228 Shelter Plus Care 14.238	270, 271, 272 273 274 Capital Fund 14.872	329 Section 8 Rental Vouchers 14.855	350 Tenant Based Rent Assistance 14.239	351 HOPWA 14.241
<b>Account Description</b>							
<b>REVENUE</b>							
Tenant Revenue:							
703 Net Tenant Rental Revenue	\$ 1,054,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
704 Tenant Revenue - Other	24,421	-	-	-	-	-	-
705 Total Tenant Revenue	1,078,680	-	-	-	-	-	-
706 HUD PHA Grants	1,380,358	159,760	586,639	318,214	15,276,864	-	-
706.1 Capital Grants	-	-	-	468,110	-	-	-
708 Other Governmental Grants	-	-	-	-	-	171,711	33,840
711 Investment Income - Unrestricted	18,656	-	-	-	25,791	-	-
712 Mortgage Interest Income	-	-	-	-	-	-	-
714 Fraud Recovery	-	-	-	-	58,459	-	-
715 Other Revenue	31,512	-	-	-	5,071	-	-
716 Gain/Loss on Sale of Fixed Assets	1,165	-	-	-	150	-	-
720 Investment Income - Restricted	-	-	-	-	-	-	-
700 TOTAL REVENUE	2,510,371	159,760	586,639	786,324	15,366,335	171,711	33,840
<b>EXPENSES</b>							
Administrative:							
911 Administrative Salaries	462,623	-	44,539	11,368	510,176	10,663	1,716
912 Auditing Fees	11,687	-	-	-	13,253	-	-
915 Employee Benefit Contributions - Administrative	154,453	-	16,661	3,960	197,485	4,287	700
916 Other Operating - Administrative	207,110	8,223	-	44,089	235,963	-	-
Tenant Services:							
921 Tenant Services - Salaries	3,373	70,446	-	-	57,727	-	-
922 Relocation Costs	-	-	-	380	-	-	-
923 Employee Benefit Contributions - Tenant Services	1,553	18,714	-	-	27,878	-	-
924 Tenant Services - Other	10,013	61,494	-	-	-	-	-
Utilities:							
931 Water	107,845	-	-	-	-	-	-
932 Electricity	101,911	-	-	-	-	-	-
933 Gas	52,616	-	-	-	-	-	-
938 Other Utilities Expense	69,936	-	-	-	-	-	-
Ordinary Maintenance & Operation:							
941 Ordinary Maintenance & Operation - Labor	473,031	-	-	66,597	-	-	-
942 Ordinary Maintenance & Operation - Materials & Other	125,452	-	-	28,331	3,067	-	-
943 Ordinary Maintenance & Operation - Contract Costs	240,647	-	-	141,449	-	-	-
945 Employee Benefit Contributions - Ordinary Maintenance	181,283	-	-	21,014	-	-	-
General Expenses:							
952 Protective Services - Other Contract Costs	11,807	-	-	-	-	-	-
961 Insurance Premiums	138,952	883	575	1,026	32,651	144	23
962 Other General Expenses	3,693	-	-	-	-	-	-
963 Payments in Lieu of Taxes	8,218	-	-	-	-	-	-
964 Bad Debt - Tenant Rents	28,799	-	-	-	-	-	-
966 Bad Debt - Other	-	-	-	-	-	-	-
967 Interest Expense	133	-	-	-	-	-	-
969 TOTAL OPERATING EXPENSES	2,395,135	159,760	61,775	318,214	1,078,200	15,094	2,439
970 EXCESS OPERATING REVENUE OVER							
OPERATING EXPENSES	115,236	-	524,864	468,110	14,288,135	156,617	31,401
Other Expenses:							
972 Casualty Losses - Non-Capitalized	8,750	-	-	-	-	-	-
973 Housing Assistance Payments	-	-	539,644	-	13,997,916	159,394	31,472
974 Depreciation Expense	1,300,241	-	-	109,623	8,437	-	-
900 TOTAL EXPENSES	3,704,126	159,760	601,419	427,837	15,084,553	174,488	33,911
1000 Excess (Deficiency) of Operating Revenue							
Over (Under) Expenses	(1,193,755)	-	(14,780)	358,487	281,782	(2,777)	(71)
1102 Debt Principal Payments - Enterprise Funds	-	-	-	-	-	-	-
1103 Net Assets at Beginning of Year	10,481,709	-	49,427	1,220,453	1,309,586	(2)	999
1104 Transfers and Adjustments	-	-	-	-	312	-	-
Net Assets at End of Year	\$ 9,287,954	\$ -	\$ 34,647	\$ 1,578,940	\$ 1,591,680	\$ (2,779)	\$ 928

## Schedule 2

513,514 Youth Prevention Program 93,959	554,881, 885 CDBG Program 14,218	885 State Programs	100 Business Activities	Central Cash	Combined Balance
\$ -	\$ -	\$ -	\$ 157,488	\$ -	\$ 1,211,747
-	-	-	20,702	-	45,123
-	-	-	178,190	-	1,256,870
-	-	-	-	-	17,721,835
-	-	-	-	-	468,110
149,194	4,200	-	4,152	-	363,097
-	-	1	14,099	-	58,547
-	1,736	-	49,058	-	50,794
-	-	-	-	-	58,459
-	188	-	23,863	-	60,634
-	-	-	88,335	-	89,650
-	-	-	17,198	-	17,198
149,194	6,124	1	374,895	-	20,145,194
3,488	755	7,558	72,823	-	1,125,709
-	-	-	265	-	25,205
1,069	279	2,801	25,701	-	407,396
-	1,107	231	35,370	-	532,093
78,676	3,958	-	1,955	-	216,135
-	-	-	-	-	380
19,182	216	-	857	-	68,400
45,888	-	-	11,092	-	128,487
-	-	-	4,889	-	112,734
-	-	-	1,587	-	103,498
-	-	-	792	-	53,408
-	-	-	3,855	-	73,791
-	-	-	34,125	-	573,753
-	-	-	8,301	-	165,151
-	-	-	40,361	-	422,457
-	-	-	12,239	-	214,536
-	-	-	-	-	11,807
891	34	88	7,063	-	182,330
-	-	-	-	-	3,693
-	-	-	3,662	-	11,880
-	-	-	2,180	-	30,979
-	13,413	-	-	-	13,413
-	1,719	-	72,043	-	73,895
149,194	21,481	10,678	339,160	-	4,551,130
-	(15,357)	(10,677)	35,735	-	15,594,064
-	-	-	-	-	8,750
-	-	-	-	-	14,728,426
-	-	-	57,397	-	1,475,698
149,194	21,481	10,678	396,557	-	20,764,004
-	(15,357)	(10,677)	(21,662)	-	(618,810)
-	18,427	-	121,597	-	-
-	(153,021)	544,718	1,991,145	-	15,445,014
-	-	-	3,302	-	3,614
\$ -	\$ (149,951)	\$ 534,041	\$ 2,094,382	\$ -	\$ 14,829,818

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE**  
**Combining Statement of Net Assets - Business Activity Programs**  
**June 30, 2005**

Schedule 3

FDS Line Item #	Account Description	502 Locally Owned Units	522 Villa Charmant	596 Privately Donated Funds	596 Office Building	888 Bank Pool	Total Business Activities
<b>ASSETS</b>							
<b>Current Assets</b>							
<b>Cash:</b>							
111	Cash - Unrestricted	\$ -	\$ -	\$ -	\$ -	\$ 78,208	\$ 78,208
113	Cash - Other Restricted	-	-	-	-	-	-
100	<b>Total Cash</b>	-	-	-	-	78,208	78,208
<b>Receivables:</b>							
122	Accounts Receivable - HUD	-	-	-	-	-	-
124	Accounts Receivable - Other Government	1,792	-	-	-	-	1,792
125	Accounts Receivable - Miscellaneous	935	-	-	-	167,627	168,562
126	Accounts Receivable - Tenants - Dwelling Rents	1,871	-	-	-	-	1,871
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(776)	-	-	-	-	(776)
127	Notes and Mortgages Receivable - Current	17,560	-	-	-	31,720	49,280
128	Fraud Recovery	-	-	-	-	-	-
120	<b>Total Receivables, net of allowances for doubtful accounts</b>	21,382	-	-	-	199,347	220,729
<b>Current Investments:</b>							
131	Investments - Unrestricted	-	-	-	-	-	-
132	Investments - Restricted	330,593	-	-	-	-	330,593
142	Prepaid Expenses and Other Assets	7	-	-	-	-	7
143	Inventories	-	-	-	-	-	-
144	Interprogram Due From	921,944	-	33,878	5,983	-	961,805
150	<b>Total Current Assets</b>	1,273,926	-	33,878	5,983	277,555	1,591,342
<b>Noncurrent Assets</b>							
<b>Fixed Assets:</b>							
161	Land	387,355	-	-	-	-	387,355
162	Buildings	1,420,263	-	-	-	-	1,420,263
164	Furniture, Equipment & Machinery - Administration	6,332	-	-	-	-	6,332
165	Leasehold Improvements	40,091	-	-	-	-	40,091
166	Accumulated Depreciation	(874,849)	-	-	-	-	(874,849)
167	Construction In Progress	-	-	-	-	-	-
160	<b>Total Fixed Assets, Net of Accumulated Depreciation</b>	979,192	-	-	-	-	979,192
<b>Other Non-Current Assets:</b>							
171	Notes and Mortgages Receivable - Non-Current	240,895	-	-	-	823,413	1,064,308
174	Other Assets	20,000	-	-	-	-	20,000
180	<b>Total Non-Current Assets</b>	1,220,087	-	-	-	823,413	2,063,500
190	<b>TOTAL ASSETS</b>	\$ 2,494,013	\$ -	\$ 33,878	\$ 5,983	\$ 1,100,968	\$ 3,654,842
<b>LIABILITIES AND NET ASSETS</b>							
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 2
312	Accounts Payable <= 90 Days	16,433	-	481	4,649	1,452	23,015
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-
322	Accrued Compensated Absences	4,141	-	-	417	-	4,558
333	Accounts Payable - Other Governments	-	-	-	-	31,057	31,057
341	Tenant Security Deposits	3,950	-	-	650	-	4,600
342	Deferred Revenues	12,455	-	33,397	-	-	45,852
343	Current Portion of LT Debt - Capital Projects	5,370	-	-	-	31,720	37,090
345	Other Current Liabilities	-	-	-	-	2,595	2,595
346	Accrued Liabilities - Other	-	-	-	-	-	-
347	Interprogram Due To	-	-	-	-	88,115	88,115
310	<b>Total Current Liabilities</b>	42,349	-	33,878	5,716	154,939	236,884
<b>Non-Current Liabilities</b>							
351	Long-Term Debt, Net of Current - Capital Projects	413,810	-	-	-	1,019,528	1,433,338
353	Non-Current Liabilities - Other	-	-	-	-	8,921	8,921
354	Accrued Compensated Absences - Non Current	2,647	-	-	267	-	2,914
350	<b>Total Non-Current Liabilities</b>	416,457	-	-	267	1,028,449	1,445,173
300	<b>TOTAL LIABILITIES</b>	458,806	-	33,878	5,983	1,183,388	1,682,057
<b>NET ASSETS</b>							
508.1	Invested in Capital Assets, Net of Related Debt	560,012	-	-	-	-	560,012
511.1	Restricted Net Assets	330,593	-	-	-	-	330,593
512.1	Unrestricted Net Assets	1,164,602	-	-	-	(82,422)	1,082,180
513	<b>TOTAL NET ASSETS</b>	2,055,207	-	-	-	(82,422)	1,972,785
600	<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 2,514,013	\$ -	\$ 33,878	\$ 5,983	\$ 1,100,966	\$ 3,654,842

# HOUSING AUTHORITY OF THE COUNTY OF SALT LAKE

## Combining Statement of Revenues, Expenditures and Changes in Net Assets - Business Activity Programs For the Year Ended June 30, 2005

Schedule 4

FDS Line Item #	Account Description	502 Locally Owned Units	522 Villa Charmant	596 Privately Donated Funds	596 Office Building	888 Bank Pool	Total Business Activities
	<b>REVENUE</b>						
	<b>Tenant Revenue:</b>						
703	Net Tenant Rental Revenue	\$ 157,488	\$ -	\$ -	\$ -	\$ -	\$ 157,488
704	Tenant Revenue - Other	20,702	-	-	-	-	20,702
705	<b>Total Tenant Revenue</b>	<b>178,190</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178,190</b>
708	Other Governmental Grants	4,152	-	-	-	-	4,152
711	Investment Income - Unrestricted	14,099	-	-	-	-	14,099
712	Mortgage Interest Income	-	-	-	-	49,058	49,058
715	Other Revenue	7,863	-	14,801	-	1,199	23,863
716	Gain/loss on sale of fixed assets	96,506	-	-	-	(8,171)	88,335
720	Investment Income - Restricted	17,198	-	-	-	-	17,198
700	<b>TOTAL REVENUE</b>	<b>318,008</b>	<b>-</b>	<b>14,801</b>	<b>-</b>	<b>42,086</b>	<b>374,895</b>
	<b>EXPENSES</b>						
	<b>Administrative:</b>						
911	Administrative Salaries	52,288	-	51	-	20,484	72,823
912	Auditing Fees	265	-	-	-	-	265
915	Employee Benefit Contributions - Administrative	17,929	-	-	-	7,772	25,701
916	Other Operating - Administrative	25,881	-	820	-	8,669	35,370
	<b>Tenant Services:</b>						
921	Tenant Services - Salaries	-	-	1,955	-	-	1,955
923	Employee Benefit Contributions - Tenant Services	-	-	857	-	-	857
924	Tenant Services - Other	-	-	11,092	-	-	11,092
	<b>Utilities:</b>						
931	Water	4,769	-	-	-	120	4,889
932	Electricity	1,548	-	-	-	39	1,587
933	Gas	727	-	-	-	65	792
938	Other Utilities Expense	3,726	-	-	-	129	3,855
	<b>Ordinary Maintenance &amp; Operation:</b>						
941	Ordinary Maintenance & Operation - Labor	34,125	-	-	-	-	34,125
942	Ordinary Maintenance & Operation - Materials & Other	7,740	-	-	-	561	8,301
943	Ordinary Maintenance & Operation - Contract Costs	40,110	-	-	-	251	40,361
945	Employee Benefit Contributions - Ordinary Maintenance	12,239	-	-	-	-	12,239
	<b>General Expenses:</b>						
961	Insurance Premiums	6,795	-	26	-	242	7,063
962	Other General Expenses	-	-	-	-	-	-
963	Payments in Lieu of Taxes	253	-	-	-	3,409	3,662
964	Bad Debt - Tenant Rents	2,180	-	-	-	-	2,180
967	Interest Expense	8,586	-	-	-	63,457	72,043
969	<b>TOTAL OPERATING EXPENSES</b>	<b>219,161</b>	<b>-</b>	<b>14,801</b>	<b>-</b>	<b>105,198</b>	<b>339,160</b>
970	<b>EXCESS OPERATING REVENUE OVER</b>						
	<b>OPERATING EXPENSES</b>	<b>98,847</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,112)</b>	<b>35,735</b>
	<b>Other Expenses:</b>						
972	Casualty losses - Non-capitalized	-	-	-	-	-	-
973	Housing Assistance Payments	-	-	-	-	-	-
974	Depreciation Expense	57,397	-	-	-	-	57,397
900	<b>TOTAL EXPENSES</b>	<b>276,558</b>	<b>-</b>	<b>14,801</b>	<b>-</b>	<b>105,198</b>	<b>396,557</b>
1000	<b>Excess (Deficiency) of Operating Revenue</b>						
	<b>Over (Under) Expenses</b>	<b>41,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,112)</b>	<b>(21,662)</b>
1102	Debt Principal Payments - Enterprise Funds	5,160	-	-	-	116,437	121,597
1103	Net Assets at Beginning of Year	1,811,699	202,058	-	(3,302)	(19,310)	1,991,145
1104	Capital Contributions	-	-	-	3,302	-	3,302
1104	Transfers and Adjustments	202,058	(202,058)	-	-	-	-
	<b>Net Assets at End of Year</b>	<b>\$ 2,060,367</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,015</b>	<b>\$ 2,094,382</b>

# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Housing Authority of the County of Salt Lake  
Salt Lake City, Utah

We have audited the basic financial statements of the Housing Authority of the County of Salt Lake (the Authority) as of and for the year ended June 30, 2005 and 2004, and have issued our report thereon dated October 11, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
October 11, 2005



# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Commissioners  
Housing Authority of the County of Salt Lake  
Salt Lake City, Utah

### Compliance

We have audited the compliance of Housing Authority of the County of Salt Lake (the Authority), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005 and 2004. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005 and 2004.

### Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

To the Board of Commissioners  
Housing Authority of the County of Salt Lake

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners, management, others within the organization, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
October 11, 2005

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2005**

<u>Federal Assistance Programs</u> <u>Agency/Program Grant Title</u>	<u>CFDA Number</u>	<u>Amount of Expenditures</u>
<b>Department of Housing &amp; Urban Development (HUD):</b>		
Community Development Block Grant	14.218	\$ 4,200
Shelter Plus Care Program	14.238	586,639
HOME Investment Partnerships Program (Tenant Based Rent Passed through Salt Lake County)	14.239	171,711
Housing Opportunities for Persons With AIDS (HOPWA)	14.241	33,840
Low Rent Public Housing	14.850	1,380,358
Section 8 Housing Choice Vouchers	14.855	15,276,864
Resident Opportunities and Supportive Services – Youth Employment and FSS	14.870	105,286
Supportive Services – Neighborhood Networks	14.875	54,474
Public Housing Capital Fund Program	14.872	786,324
<b>Dept. of Health and Human Services:</b>		
Block Grants for Prevention And Treatment of Substance Abuse (Youth Prevention Program passed through Salt Lake County)	93.959	<u>149,194</u>
<b>Total expenditures of federal awards</b>		<b><u>\$18,548,890</u></b>

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE**  
**Schedule of Expenditures of Federal Awards - continued**  
**For the Year Ended June 30, 2005**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the County of Salt Lake and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Status of Findings and Questioned Costs  
For the year ended June 30, 2005**

*Financial Statements*

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Non compliance material to financial statements noted?

☐ Yes ☒ No

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Reportable condition(s) identified that are not considered to be material weaknesses? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

☐ Yes ☒ No

Identification of major programs?

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.238	Shelter Plus Care
14.850a	Public Housing – Low Rent Program
14.855	Section 8 Housing Choice Vouchers
14.872	Public Housing Capital Fund Program

Dollar threshold used to distinguish between type A and type B programs:

\$ 556,467

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Status of Findings and Questioned Costs-continued  
June 30, 2005**

There are no findings to report for fiscal year ending June 30, 2005.

**HOUSING AUTHORITY OF THE  
COUNTY OF SALT LAKE  
Summary Schedule of Prior Audit Findings  
June 30, 2005**

There were no findings to report for fiscal year ended June 30, 2004.

# Baird, Rasmussen Associates, PC

Certified Public Accountants and Business Advisors

## Auditor's Report on Utah State Legal Compliance

Board of Commissioners  
Housing Authority of the County of Salt Lake  
Salt Lake City, Utah

We have audited the basic financial statements of the Housing Authority of the County of Salt Lake (the Authority), for the year ended June 30, 2005 and 2004, and have issued our report thereon dated October 11, 2005. Our audit included test work on the Authority's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide including:

- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Other Compliance Requirements

The Authority did not receive any major or non-major Utah State grants during the year ended June 30, 2005 and 2004.

The management of the Authority is responsible for the Authority's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Authority complied, in all material respects with the general compliance requirements identified above for the year ended June 30, 2005 and 2004.

*Baird, Rasmussen & Associates, P.C.*

Baird, Rasmussen & Associates, P.C.  
Bountiful, Utah  
October 11, 2005